

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7571

BILL NUMBER: HB 1863

DATE PREPARED: Feb 15, 2001

BILL AMENDED: Feb 14, 2001

SUBJECT: State Contracting Practices.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Governor's Commission on Minority Business Development, the State Lottery Commission, the State Office Building Commission, and an owner of a riverboat license to establish annual goals for the utilization of minority and women's business enterprises derived from a statistical analysis of contracts that must be updated every five years. The bill requires the Indiana Department of Administration to conduct a biennial study to determine whether, during the previously concluded two year period, the goals have been met. The bill requires the Department to adopt rules to require that not fewer than 12% of contracts be awarded to minority business enterprises and not fewer than 7% of contracts be awarded to women's business enterprises if the goals have not been met. The bill requires the Department to determine whether minority and women's business enterprises historically have been excluded from the award of contracts.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) The Department of Administration's administrative cost could increase if studies reveal the contracting goals have not been met. Any increase in these costs is expected to be covered using existing staff and resources.

The bill may also increase the administrative costs of the State Lottery Commission in so far as they will be required to set goals and assess its utilization of minority and business enterprises. Any increase in the Commission's costs is expected to be covered using resources currently available to the Commission.

The impact of this bill on the *contracting* costs of state agencies, political bodies, state educational institutions, the State Lottery Commission, and the State Office Building Commission is indeterminable. It is unknown whether contracted services from minority or women business enterprises are any more or less expensive than services contracted from other business enterprises.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Administration; state educational institutions; State Lottery Commission; State Office Building Commission; other political bodies.

Local Agencies Affected:

Information Sources: Jay McQueen, Department of Administration, (317) 232-7636